



**Lauren Garrett**  
*Mayor*

**TOWN OF HAMDEN**  
OFFICE OF THE MAYOR

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January 18, 2023

Lauren Garrett, Mayor  
Town Government Center  
2750 Dixwell Avenue  
Hamden, CT 06518

William Plummer, Local Government Program Manager  
Office of Policy and Management  
450 Capitol Avenue MS-54MFS  
Hartford, Connecticut, 06106-1379

**Re: Federal and State Single Audit Corrective Action Plan**

Dear William Plummer:

In response to the federal awards finding 22-01 Community Service Department – Administration & Procedures from the FY2022 Federal and State Single Audit performed by Clermont & Associates, LLC and, as provided to the Town on December 19, 2022, the Town hereby submits the following Corrective Action Plan:

According to the Schedule of Findings and Questioned Costs for the year ended June 30, 2022, Section III, Federal Awards Findings, Finding 22-01 Community Service Department – Administration & Procedures, *a significant deficiency in internal control over compliance* was found:

**Criteria** – The Town of Hamden is required to accurately administer and monitor community development grant programs, which includes having properly maintained files for every project with applications, invoices, grant-draws, supporting documentations, financial reports, and quarterly cash on hand submissions.

**Condition** – The operations of the Community Services Department with respect to the Community Development Block Grant do not follow the policies and procedures required for distribution of HUD funds. These procedures include organizing & maintaining program files and submitting drawdown requests and quarterly reports in a timely manner.

**Cause** – The Community Service Department has had a recent turnover in key personnel who have previously been administering the grant for years. Communication between the Community Services and Finance Departments was also seeming to be lacking.

**Context** – The Community Development Block grant is managed by the Community Service Department with expenditures for it processed and recorded through the Finance Department accounts payable. With the abrupt turnover of the former staff members, the new staff who were unfamiliar with the grant and the office have had to organize documents and catch up on significantly delayed requests, reports, and grant procedures.

**Effect** – The Town incurred the following:

- Policy & Procedures manual is currently out of date. Combined with an initial deficiency in experience with the new staff and disorganization of office files when they started, created significant delays in grant drawdowns and reports.
- Due to the staff overturn occurring at fiscal year-end. Many June 2022 expenditure drawdowns were significantly delayed and not received until months into the new fiscal year.
- Quarterly cash on hand reports continue to be delayed for the 3<sup>rd</sup> and 4<sup>th</sup> quarters of fiscal year 2022.
- Confusion within the department regarding procedures and reconciling the fund's general ledger due to lack of communication with the finance department.

**Recommendation** – The Town develop policies and procedures for the ongoing monitoring and administration of the Community Development Block Grant. This would include improvements in project file organization, better track of open projects, quarterly cash reports, and general monitoring.

**Corrective Actions** – The Town of Hamden accepts this finding. The Mayor, upon realizing the Town's CDBG program had been undermanaged for a number of years, requested an audit of the Town's CDBG program. The Finance Department will work with the Community Service Department team to:

- Update and submit to HUD no later than March 1, 2023, the Town's Financial Management Policies & Procedures Manual, clearly defining administrative requirements over federal funds as outlined in Uniform Administrative Requirements, 2 CFR 200, subparts A-D,
- Create and submit to HUD no later than March 1, 2023, the Town's CDBG Policies & Procedures Manual, outlining the Town's organizational structure, roles and responsibilities, federal requirements for the ongoing monitoring and administration of the program, including project file organization, the tracking of open projects, submission of quarterly cash reports, planning activities, execution of agreements, and sub recipient monitoring obligations, completely revamping the Town's systems and processes,
- Work closely with the Town's HUD representative to address any outstanding monitoring issues or concerns,
- Require CDBG staff to complete relevant CDBG trainings offered through HUD Exchange as assigned, and,

- Hold monthly meetings between the Finance Department and the Community Services Department beginning immediately to ensure all expenditure drawdowns and quarterly cash reports are completed on-time and general ledger accounts are reconciled monthly.

To accomplish these tasks the town has taken the immediate following steps:

- Completed and submitted to HUD all overdue quarterly cash on hand reports.
- Hired a Community Development Block Grant consultant to advise the Town's CDBG team on compliance, reporting, and planning activities.
- Hired a Grants Manager with federal grant management experience to oversee grants and capital projects for the Town. This new position is housed within the Town's Finance Department, will provide administrative oversight of the Community Development Block Grant program, and will facilitate communication between the Finance and Community Services departments.
- Prepared and submitted three proposed amendments to FY2019-CV, FY2021, and FY2022 to address nearly \$2M in unspent CDBG dollars.
- Prepared and submitted a Timeliness Workout Plan to ensure timely spending of CDBG dollars and restore maximum funding from HUD (HUD awards to the Town have decreased over time because of chronic under spending of grant funds). The Timeliness Workout Plan is currently pending feedback from HUD.
- Hired an accountant assigned .10 FTE to assist the Grants Manager in providing monthly reconciliation reports, submitting drawdowns requests, and ensuring that all quarterly reports are submitted in a timely manner.
- The Town has revised its CDBG organizational structure to include the following key positions:
  - Director of Finance, Curtis Eatman, [ceatman@hamden.com](mailto:ceatman@hamden.com)
  - Grants Manager, Carol Hazen, [chazen@hamden.com](mailto:chazen@hamden.com)
  - Director of Arts, Culture, Recreation and Wellness, Karen Bivens, [kbivens@hamden.com](mailto:kbivens@hamden.com)

The Town is appreciative of the guidance it has received through this process. The Community Development Block Grant program has had a transformative impact on our community, and will continue to enhance quality of life for low and moderate income residents of Hamden.

Sincerely,



Lauren Garrett, Mayor  
Town of Hamden

